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Attorneys for Defendants

IN THE UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

AT PORTLAND

JOHN N. BRILES and JACKIE BRILES,
Co-Trustees of the Briles Family Revocable
Trust Dated February 23, 2007,

PLAINTIFFS,

v.

LOOMIS GROUP, INC. and JEFFREY D.
LOOMIS,

DEFENDANTS.

Case No. **CV '08-1290-AA** 1

NOTICE OF REMOVAL

TO: THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON

Pursuant to 28 U.S.C. §§ 1332, 1441 and 1446, defendants remove this action from the Circuit Court of the State of Oregon, for the County of Multnomah, to the United States District Court for the District of Oregon in Portland, Oregon.

1. This action is being removed to federal court based on diversity jurisdiction.

2. On October 3, 2008, defendant Loomis Group, Inc. was served a Summons

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DAVIS WRIGHT TREMAINE LLP
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and Complaint that had been filed in the Circuit Court of the State of Oregon, for the County of Multnomah, entitled *John N. Briles and Jackie Briles, Co-Trustees of the Briles Family Revocable Trust Dated February 23, 2007 v. Loomis Group, Inc. and Jeffrey D. Loomis*, case number 0809-13101 (hereinafter the “Action”). Defendant Jeffrey D. Loomis was personally served with a copy of the Action on October 14, 2008. A copy of the Complaint is attached hereto as Exhibit 1, and copies of the Summonses are attached as Exhibit 2, and constitute all process, pleadings, and orders served on defendants in the Action up to the present date.

3. This Notice of Removal is filed with this Court within thirty (30) days of receipt of the Complaint as required by 28 U.S.C. § 1446(b).

4. This Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1332(a) because complete diversity of citizenship exists between the parties, and the matter in controversy exceeds the sum or value of \$75,000, exclusive of interests and costs.

5. Plaintiffs are citizens of the State of Oregon.

6. Defendant Loomis Group, Inc. is a Delaware corporation with its principal place of business in California.

7. Defendant Jeffrey D. Loomis is a citizen of California.

8. The amount in controversy in this Action exceeds \$75,000 in that plaintiff seeks, among other things, \$200,000 in restitution.

9. Venue lies in this Court because plaintiff’s action is pending in Multnomah County Circuit Court, which is within this District and Division. 28 U.S.C. § 1446(a).

10. Concurrently with the filing of this Notice of Removal, defendants have given written notice of removal to plaintiffs and have filed a copy of this Notice of Removal with the Clerk of the Circuit Court for the State of Oregon for the County of Multnomah pursuant to 28 U.S.C. § 1446(d).

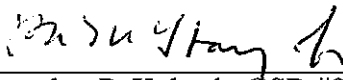
11. Defendants have good and sufficient defenses to this action and do not waive any defenses, jurisdictional or otherwise, by the filing of this Notice.

12. This notice is filed in accordance to Fed. R. Civ. P. 11.

WHEREFORE, defendants remove this action from the Circuit Court for the State of Oregon, for the County of Multnomah, to the Portland Division of the United States District Court for the District of Oregon.

DATED this 31st day of October, 2008

DAVIS WRIGHT TREMAINE LLP

By 
Christopher P. Koback, OSB #91340
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IN THE CIRCUIT COURT OF THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

0809-13101

JOHN N. BRILES and JACKIE BRILES,
Co-Trustees of the Briles Family Revocable
Trust Dated February 23, 2007,

Plaintiffs,

v.

LOOMIS GROUP, INC., a Delaware
corporation, and **JEFFREY D. LOOMIS,**

Defendant.

Case No.

COMPLAINT FOR BREACH OF
CONTRACT, UNJUST ENRICHMENT,
AND OREGON SECURITIES LAW
DAMAGES

Claim Not Subject to Mandatory
Arbitration

Plaintiffs allege:

FIRST CLAIM

(Breach of Contract—Rescission v. Loomis Group and Loomis)

1.

At all times material, plaintiffs John N. Briles and Jackie Briles were, and still are, residents of Oregon. They are Co-Trustees of the Briles Family Revocable Trust Dated February 23, 2007.

2.

At all times material, defendant Loomis Group, Inc. ("Loomis Group") was a foreign corporation with its principal place of business in San Francisco, California. It began as "The

Loomis Group, Inc.," a California corporation, in 1992. In 2002, at about the time of plaintiffs' \$200,000 investment, the California corporation merged with Delaware LG Corporation, a newly formed Delaware corporation. Delaware LG Corporation, the surviving Delaware corporation, changed its name to "Loomis Group, Inc." on September 6, 2002. On information and belief, plaintiffs allege that the purpose of the merger was to facilitate raising capital for expansion of Loomis Group's business.

3.

At all times material, defendant Jeffrey D. Loomis ("Loomis") resided in California, and was an officer, a director, and agent of Loomis Group. He is currently President and Chief Executive Officer of Loomis Group. At all times material, Loomis controlled Loomis Group when Loomis and Loomis Group solicited the sale of, and sold, Loomis Group common stock to plaintiffs.

4.

On or about September 25, 2002, plaintiffs entered into an agreement ("the Agreement") with Loomis to purchase Loomis Group common stock from Loomis Group for \$200,000.

5.

Before the Agreement was formed, Loomis Group and Loomis told plaintiffs that they would be investing in Loomis Group. Loomis Group and Loomis knew that that statement was untrue.

6.

Before the Agreement was formed, Loomis Group and Loomis indicated to plaintiffs that they were in the process of offering Loomis Group's common stock to investors in order to raise \$1,000,000 of operating capital for Loomis Group, and that plaintiffs' investment in Loomis Group would be part of this \$1,000,000 of operating capital. The \$1,000,000 in new operating capital would enable Loomis Group to expand its operations throughout the Pacific Rim and take advantage of available opportunities. On information and belief, plaintiffs allege that Loomis

1 Group and Loomis had no reasonable basis to opine or predict that they were going to raise
2 \$1,000,000 in operating capital for Loomis Group.

3 7.

4 Based on the foregoing, plaintiffs understood from Loomis Group and Loomis that they
5 were buying the shares of common stock from Loomis Group and that the \$200,000 they invested
6 would be combined with \$800,000 or so that they were going to raise for Loomis Group from other
7 investors. Loomis did not disclose to plaintiffs that he intended to sell Loomis Group common
8 stock that he owned to plaintiffs.

9 8.

10 Pursuant to the Agreement, on September 25, 2002, plaintiffs gave \$200,000 to Loomis to
11 invest in Loomis Group and expected to receive Loomis Group common stock from Loomis Group
12 in return. When they invested, Loomis told plaintiffs that Loomis Group was worth \$16 million.

13 9.

14 An essential part of the Agreement that plaintiffs made with Loomis and Loomis Group was
15 that plaintiffs would be purchasing shares of Loomis Group common stock directly from Loomis
16 Group, and that Loomis Group's equity capital would be increased in the amount of \$200,000,
17 which would be used in connection with the \$800,000 that Loomis Group and Loomis said would
18 be raised from other investors.

19 10.

20 On information and belief, plaintiffs allege that Loomis used the \$200,000 they gave him to
21 repay debt he owed Loomis Group, and that plaintiffs' \$200,000 did not go to purchase shares of
22 Loomis Group common stock from Loomis Group or increase Loomis Group's equity capitalization
23 or assets.

24 11.

25 Until February 2008, plaintiffs did not suspect that their \$200,000 did not increase Loomis
26 Group's equity capitalization or assets, or that the certificate for 285,714 shares of Loomis Group

1 common stock that they were given were for Loomis's shares or that Loomis had sold them his own
 2 stock, stock that Loomis had previously acquired from Loomis Group. Loomis lulled plaintiffs into
 3 believing that their \$200,000 was new equity in Loomis Group.

4 12.

5 Before the Agreement was formed, Loomis also predicted to plaintiffs that Loomis Group
 6 revenues would increase by two or three times in the next few years. Loomis had no reasonable
 7 basis to make that prediction.

8 13.

9 Based on the foregoing false or misleading statements and predictions without reasonable
 10 basis, plaintiffs gave Loomis \$200,000 which was to go to Loomis Group for the purchase price for
 11 285,714 shares of Loomis Group common stock.

12 14.

13 The foregoing statements that Loomis made to induce plaintiffs to enter into the Agreement
 14 were false or misleading or without reasonable basis.

15 15.

16 Because plaintiffs were induced to enter into the Agreement by means of untrue or
 17 misleading statements and predictions without reasonable basis, they are entitled to disaffirm and
 18 rescind the Agreement.

19 16.

20 On February 23, 2007, for estate planning purposes, plaintiffs transferred their 285,714
 21 shares of Loomis Group common stock to the Briles Family Revocable Trust Dated February 23,
 22 2007.

23 17.

24 Plaintiffs elect to disaffirm and rescind the Agreement, and they hereby tender their trust's
 25 285,714 shares of Loomis Group common stock to Loomis.

26 18.

1 Plaintiffs are entitled to recover \$200,000 from Loomis, together with interest thereon at the
2 rate 9% per annum from September 25, 2002, until paid.

3 **SECOND CLAIM**

4 (Unjust Enrichment v. Loomis)

5 19.

6 Plaintiffs reallege paragraphs 1 through 18.

7 20.

8 Unless Loomis is required to return to plaintiffs the \$200,000 they paid him plus interest on
9 the \$200,000 at the rate of 9% per annum from September 25, 2002, until paid, Loomis will be
10 unjustly enriched in that amount.

11 **THIRD CLAIM**

12 (Oregon Securities Law – ORS 59.115(1)(b) and ORS 59.135 v. Loomis and Loomis Group)

13 21.

14 Plaintiffs reallege paragraphs 1 through 16.

15 22.

16 Plaintiffs did not discover, and had no notice of any facts that raised any suspicion, that
17 Loomis had sold them his personally-owned stock until February 2008.

18
19 Plaintiffs did not discover, and had no notice of any facts that raised any suspicion, that their
20 \$200,000 had not increased Loomis Group's equity capital until February 2008.

21 23.

22 Each of the foregoing statements that Loomis made to plaintiffs to induce them to part with
23 their \$200,000 were untrue or misleading in light of the circumstances under which they were made
24 because of (a) Loomis's failure to disclose Loomis's intention to sell his personally-owned stock for
25 \$200,000 instead of stock owned by Loomis Group, (b) Loomis's failure to disclose that plaintiffs'
26 \$200,000 would not increase Loomis Group's equity capital, (c) Loomis's failure to disclose that he

1 had no reasonable basis for opining or predicting that he was in the process of raising \$1,000,000 of
 2 operating capital for Loomis Group, and (d) Loomis's failure to disclose that he had no reasonable
 3 basis for opining or predicting that Loomis Group revenues would increase by two or three times in
 4 the next few years.

5 24.

6 The untrue statements and misleading omissions described above were material in that a
 7 reasonable investor would have considered them to be important in making a decision on whether or
 8 not to pay \$200,000 for 285,714 shares of Loomis Group common stock. The untrue statements
 9 and misleading omissions were made in connection with the sale of securities to plaintiffs.
 10 Likewise, the securities were sold to plaintiffs by means of the untrue statements and misleading
 11 omissions.

12 25.

13 Plaintiffs did not know that the statements described above were untrue or that there were
 14 misleading omissions.

15 26.

16 Loomis sold and successfully solicited the sale of the securities at issue in this case to
 17 plaintiffs.

18 27.

19 The 285,714 shares of Loomis Group common stock were sold to plaintiffs by means of the
 20 untrue statements and misleading omissions of material fact alleged above, and the sales of the
 21 securities violated ORS 59.135.

22 28.

23 Pursuant to ORS 59.115(2) and ORS 59.137(1), plaintiffs are entitled to recover from
 24 Loomis the \$200,000 that plaintiffs paid for the 285,714 shares of Loomis Group common stock,
 25 plus interest from September 25, 2002, at 9% per annum. Under ORS 59.115(10) and ORS
 26 59.137(4), the Court should award to plaintiffs their reasonable attorney fees.

29.

Plaintiffs did not have actual knowledge of the facts on which liability is based until after January 2008. In the exercise of reasonable care, plaintiffs could not have known the facts on which liability is based until after January 2008. Loomis concealed the facts on which liability is based from plaintiffs. Loomis lulled plaintiffs into believing that their \$200,000 was new equity in Loomis Group.

WHEREFORE, PLAINTIFFS DEMAND the following relief:

1. A judgment in favor of each of the plaintiffs and against Loomis in the amount of \$200,000, plus interest at the rate of 9 % per annum from September 25, 2002;
2. A judgment in favor of plaintiffs and against Loomis for plaintiffs' reasonable attorney fees, costs and disbursements; and
3. For such other relief as the Court deems just and equitable.

DATED this 12th day of September, 2008.

ESLER, STEPHENS & BUCKLEY

By: 

Kim T. Buckley, OSB No. 781589
Of Attorneys for Plaintiffs
buckley@eslerstephens.com

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CERTIFICATE—TRUE COPY

I hereby certify that the foregoing copies of SUMMONS and COMPLAINT FOR BREACH OF CONTRACT, UNJUST ENRICHMENT, AND OREGON SECURITIES LAW DAMAGES are complete and exact copies of the originals.

DATED September 22, 2008.

Kim T. Buckley, OSB No. 781589
buckley@eslerstephens.com
Of Attorneys for Plaintiffs

In the Circuit Court of the State of Oregon

For the County of Multnomah

John N. Briles and Jackie Briles, Co-Trustees of the
Briles Family Revocable Trust Dated February 23, 2007,

Plaintiff(s),

vs.
Loomis Group, Inc., and Jeffrey D. Loomis,

Case No. 0809-13101

SUMMONS

Defendant(s).

To Loomis Group, Inc., by and through its registered agent, Deborah F. Elsen,
345 Spear Street, Suite 110, San Francisco, California, 94105.

Defendant

You are hereby required to appear and defend the complaint filed against you in the above entitled action within thirty (30) days from the date of service of this summons upon you, and in case of your failure to do so, for want thereof, plaintiff(s) will apply to the court for the relief demanded in the complaint.

NOTICE TO THE DEFENDANT: READ THESE PAPERS CAREFULLY!

You must "appear" in this case or the other side will win automatically. To "appear" you must file with the court a legal paper called a "motion" or "answer." The "motion" or "answer" must be given to the court clerk or administrator within 30 days along with the required filing fee. It must be in proper form and have proof of service on the plaintiff's attorney or, if the plaintiff does not have an attorney, proof of service upon the plaintiff.

If you have any questions, you should see an attorney immediately. If you need help in finding an attorney, you may call the Oregon State Bar's Lawyer Referral Service at (503) 684-3763 or toll-free in Oregon at (800) 452-7836.

/s/ Kim T. Buckley

SIGNATURE OF ATTORNEY / AUTHOR FOR PLAINTIFF

Kim T. Buckley

OSB No. 781589

ATTORNEY'S / AUTHOR'S NAME (TYPED OR PRINTED)

BAR NO. (IF ANY)

888 S.W. FIFTH AVENUE, SUITE 700

ADDRESS

PORTLAND, OREGON 97204-2021

(503) 223-1510

CITY

STATE

ZIP

PHONE

TRIAL ATTORNEY IF OTHER THAN ABOVE (TYPED OR PRINTED)

BAR NO.

STATE OF OREGON, County of Multnomah

I, the undersigned attorney of record for the plaintiff, certify that the foregoing is an exact and complete copy of the original summons in the above entitled action.

ATTORNEY OF RECORD FOR PLAINTIFF(S)

TO THE OFFICER OR OTHER PERSON SERVING THIS SUMMONS: You are hereby directed to serve a true copy of this summons, together with a true copy of the complaint mentioned therein, upon the individual(s) or other legal entity(ies) to whom or which this summons is directed, and to make your proof of service on the reverse hereof or upon a separate similar document which you shall attach hereto.

ESLER, STEPHENS & BUCKLEY

ATTORNEYS AT LAW

700 Pioneer Tower

888 S.W. Fifth Avenue

Portland, Oregon 97204-2021

(503) 223-1510

/s/ Kim T. Buckley

ATTORNEY(S) FOR PLAINTIFF(S)

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In the Circuit Court of the State of Oregon

For the County of Multnomah

John N. Briles and Jackie Briles, Co-Trustees of the
Briles Family Revocable Trust Dated February 23, 2007,

Plaintiff(s),

vs.
Loomis Group, Inc., and Jeffrey D. Loomis,

Case No. 0809-13101

SUMMONS

Defendant(s).

To Jeffrey D. Loomis, 345 Spear Street, Suite 110, San Francisco, California, 94105

Defendant

You are hereby required to appear and defend the complaint filed against you in the above entitled action within thirty (30) days from the date of service of this summons upon you, and in case of your failure to do so, for want thereof, plaintiff(s) will apply to the court for the relief demanded in the complaint.

NOTICE TO THE DEFENDANT: READ THESE PAPERS CAREFULLY!

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If you have any questions, you should see an attorney immediately. If you need help in finding an attorney, you may call the Oregon State Bar's Lawyer Referral Service at (503) 684-3783 or toll-free in Oregon at (800) 452-7838.

/s/ Kim T. Buckley

SIGNATURE OF ATTORNEY / AUTHOR FOR PLAINTIFF

Kim T. Buckley

OSB No. 781589

ATTORNEY'S / AUTHOR'S NAME (TYPED OR PRINTED)

BAR NO. (IF ANY)

888 S.W. FIFTH AVENUE, SUITE 700

ADDRESS

PORTLAND, OREGON 97204-2021

(503) 223-1510

CITY

STATE

ZIP

PHONE

TRIAL ATTORNEY IF OTHER THAN ABOVE (TYPED OR PRINTED)

BAR NO.

STATE OF OREGON, County of Multnomah

I, the undersigned attorney of record for the plaintiff, certify that the foregoing is an exact and complete copy of the original summons in the above entitled action.

ATTORNEY OF RECORD FOR PLAINTIFF(S)

TO THE OFFICER OR OTHER PERSON SERVING THIS SUMMONS: You are hereby directed to serve a true copy of this summons, together with a true copy of the complaint mentioned therein, upon the individual(s) or other legal entity(ies) to whom or which this summons is directed, and to make your proof of service on the reverse hereof or upon a separate similar document which you shall attach hereto.

/s/ Kim T. Buckley

ATTORNEY(S) FOR PLAINTIFF(S)

ESLER, STEPHENS & BUCKLEY

ATTORNEYS AT LAW
700 Pioneer Tower
888 S.W. Fifth Avenue
Portland, Oregon 97204-2021
(503) 223-1510

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing **NOTICE OF REMOVAL**

on:

Kim T. Buckley, OSB #781589
Esler, Stephens & Buckley
888 S.W. Fifth Avenue, Suite 700
Portland, Oregon 97204-2021
(503) 223-1510
(503) 294-3995 (facsimile)

Attorneys for Plaintiff

☒ by mailing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to said attorney's last-known address and deposited in the U.S. mail at Portland, Oregon on the date set forth below;

☐ by causing a copy thereof to be hand-delivered to said attorney's address as shown above on the date set forth below;

☐ by sending a copy thereof via overnight courier in a sealed, prepaid envelope, addressed to said attorney's last-known address on the date set forth below;

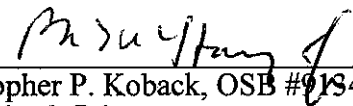
☐ by faxing a copy thereof to said attorney at his/her last-known facsimile number on the date set forth below; or

☐ by emailing a copy thereof to said attorney at his/her last-known email address as set forth above.

Dated this 31st day of October, 2008.

DAVIS WRIGHT TREMAINE LLP

By


Christopher P. Koback, OSB #91940
chriskoback@dwt.com
P. Andrew McStay, Jr. OSB #03399
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